



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

November 18, 2005

Dena Miller, M.D.
Radiology Group, P.C.
14 Summit Place, Suite 103
Branford, CT 06405

Re: Certificate of Need Determination, Report Number 05-30496-DTR
Radiology Group, P.C.
Acquisition of a CT scanner for Branford location

Dear Dr. Miller:

On May 3, 2005, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") Determination request from Radiology Group, P.C. for the acquisition of a CT Scanner for a new location in Branford Connecticut. Additional information was submitted on August 23, 2005, September 16, 2005 and on November 16, 2005. Please be advised that OHCA has reviewed your request and makes the following findings:

1. Radiology Group, P.C. ("RGPC") is a private practice radiology group of four board-certified radiologists.
2. RGPC provides various radiology (or imaging interpretation) services at the following locations (per their letterhead):
 - 2447 Whitney Avenue, Hamden, Connecticut
 - 136 Sherman Avenue, New Haven, Connecticut
 - 954 Main Street, Branford, Connecticut
 - 14 Summit Place, #103, Branford, Connecticut (CT Scanning Only)
 - Madison Radiology Imaging (MRI services)
705 Boston Post Road Guilford, Connecticut
3. The Applicant indicates that due to constraints at the current location at 954 Main Street in Branford, as well as a lack of patient parking and worsening traffic conditions, RGPC is

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moving the location of the Branford office to 6-12 Business Park Drive in Branford and expanding the services at the new location to include CT scanning. The office at 6-12 Business Park Drive in Branford will be in a new medical building, which (at the time of the May 3, 2005 filing) was being constructed and will have 30,000 square feet of medical office space.

4. The board certified diagnostic radiologists of Radiology Group, P.C. will be providing the CT scanning services.
5. The Applicant proposes to lease a General Electric GT/e CT scanner for a new Branford radiology practice location at 6-12 Business Park Drive in Branford.
6. The Applicant identifies the total capital cost related to this project, as follows:

Fair Market Value of CT scanner	\$271,000
Sales Tax on CT scanner	\$ 16,260
Maintenance Agreement	included
New Construction	\$ 21,375
Delivery and Installation	<u>\$ 10,000</u>
Total	\$318,635 ¹

7. The Applicant filed a letter from GE attesting to the fair market value of the proposed CT scanner².
8. The Applicant filed a copy of an equipment quote which was signed and agreed to by Radiology Group on December 17, 2004.
9. Applicant filed a copy of its Maxiservice schedule to a Master Lease agreement from GE Healthcare Financial Services to Radiology Group, P.C. for a GE HiSpeed CT scanner for the Business Park Drive, Branford location. The Maxiservice schedule to the master lease was signed by Dr. Scarnati as President of Radiology Group, P.C. on March 30, 2005.
10. The Applicant filed a full signed copy of its Master Lease agreement with GE Healthcare Financial Services, effective February 18, 2005, upon which the MaxiService Schedule was based.
11. The CT scanner was delivered to the new Branford office location on September 26, 2005 and patient use began in early October 2005.

¹ The Applicant also noted that the fair market value of space is \$2,000; however, as an operating expense, the value of the space is not recognized as a capital cost.

² The letter from GE indicates that the quoted and agreed to price included \$271,000 for the CT scanner, in addition to \$9,300 for technologist training of the equipment onsite and \$1,034.10 for Connect Pro Software.

Based on the above findings, OHCA has determined that Radiology Group, P.C. is not required to file a Certificate of Need request for the lease of the CT Scanner, as Radiology Group, P.C. made certain binding commitments related to this CT scanner acquisition prior to the implementation of Public Act 05-93. The Applicant has provided to OHCA satisfactory evidence that it acquired the CT scanner for under \$400,000 prior to July 1, 2005 and further OHCA authorization is not required.

The Applicant is required to provide to OHCA, by December 31, 2005, evidence that the Applicant has, by that date, taken full possession of the CT scanner. Any request to provide such evidence beyond that date, must be accompanied by a full and satisfactory explanation as to the specific and previously unforeseen barriers which have or do exist, which prevent the Applicant taking full possession by December 31, 2005.

If you have any questions concerning this letter, please contact Tillman Foster, Associate Health Care Analyst or Karen Roberts, Compliance Officer, at (860) 418-7001.

Sincerely,

Signed by Commissioner Cristine Vogel on November 18, 2005

Cristine A. Vogel
Commissioner

CAV:kr

Copy: Rose McLellan License and Applications Supervisor, DPH, DHSR